

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 NIC-01 OMB-01 AID-20 EB-11 DRC-01 /129 W

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R 041630Z JUN 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 7185

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A

TAGS: PFOR, CS, XK

SUBJECT: POSSIBLE RESIGNATION OF COSTA RICAN HIGH LEVEL  
COMMISSION (HLC)

REF: (A) SAN JOSE 1990; (B) SAN JOSE 2036

1. SUMMARY: IN THE WAKE OF GENERAL DISAPPOINTMENT OVER THE FAILURE OF THE JALAPA HEADS OF STATE MEETING TO MATERIALIZE, RODOLFO SOLANO ORFILA, COSTA RICAN COMMISSIONER TO THE HLC, ANNOUNCED THAT HE WILL PROBABLY RESIGN WITHIN A MONTH'S TIME. EMBOFFS HAVE NOT YET BEEN ABLE TO DISCUSS THIS MATTER WITH SOLANO BUT HAVE CONFIRMED IT WITH HIS RIGHT-HAND MAN, FERNANDO BERROCAL. OUR IMMEDIATE REACTION IS THAT THE ANNOUNCEMENT PROBABLY REFLECTS A DIFFERENCE IN OPINION BETWEEN SOLANO AND PRESIDENT DANIEL ODUBER OVER HOW INTEGRATION SHOULD BE APPROACHED.

2. THE CONCEPTUAL BASIS FOR SOLANO'S EVENTUAL RESIGNATION  
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HAS EXISTED FOR SOME TIME. SOLANO RECOGNIZES

THE LIMITS OF THE HLC IN PROMOTING INTEGRATION IN THE ABSENCE OF A LEGAL FRAMEWORK ACCEPTABLE TO ALL MEMBERCOUNTRIES AND HAS BEEN DISCOURAGED WITH THE LACK OF SUCCESS OF THE HLC IN DEVELOPING THAT FRAMEWORK. HE HAS ALSO BEEN CONCERNED WITH THE APPARENT LACK OF REAL CONVICTION ON THE PART OF THE PUBLIC IN THE CACM COUNTRIES THAT INTEGRATION WAS A NECESSARY COROLLARY TO MORE RAPID DEVELOPMENT. SOMETIME BACK HE TOLD EMBOFFS THAT HE WAS WILLING TO GIVE THE HLC UNTIL DECEMBER TO TRY TO WORK OUT A SOLUTION. AFTER THAT, HE FELT, ONLY THE HEADS OF STATE COULD ACCOMPLISH THE NEEDED RESTRUCTURING OF THE MARKET.

3. THE INTERESTING QUESTION IS WHY SOLANO CHOSE TO LEAVE THE HLC AT THIS TIME. DISAPPOINTMENT OVER THE FAILURE OF THE JALAPA MEETING IS ONLY A SMALL PART OF THE ANSWER. IN A CONVERSATION HELD LESS THAN A WEEK BEFORE THE JALAPA MEETING WAS TO HAVE TAKEN PLACE, SOLANO INDICATED TO EMBOFFS THAT HE WAS NOT VERY OPTIMISTIC ABOUT ITS POSSIBLE RESULTS (SEE REFTEL (A)). AT THAT TIME HE APPEARED TO BE COMMITTED TO CARRYING ON EFFORTS TOWARD STRUCTURING WITHIN THE HLC AND PLANS FOR THE NEXT HLC MEETING APPEARED TO BE ON STREAM. SOLANO STILL SEEMED TO BELIEVE THAT THE HLC COULD CONTRIBUTE TO THE INTEGRATION EFFORT BY FORGING PRACTICAL LINKS AMONG CACM COUNTRIES -- A DE FACTO AS CONTRASTED WITH A DE JURE APPROACH. ONE WAY TO DO THIS WOULD BE BY ENCOURAGING THE FORMATION OF CENTRAL AMERICAN MULTINATIONAL CORPORATIONS.

4. THE TIMING OF THE CURRENT ANNOUNCEMENT IS PROBABLY DUE TO A SHIFT ON ODUBER'S PART IN THE WAKE OF JALAPA. RECENT ANNOUNCEMENTS, AS REPORTED IN THE PRESS, INDICATE THAT ODUBER MAY BE MOVING TOWARD A POLICY OF STRENGTHENING COSTA RICA'S BILATERAL TIES WITH HER CLOSEST NEIGHBORS, PANAMA AND NICARAGUA, TO THE POSSIBLE DETRIMENT OF LARGER MULTILATERAL EFFORTS AIMED AT DRAFTING A NEW CACM TREATY. A CONVERSATION WITH BERROCAL INDICATED THAT THIS IS PROBABLY WHERE THE GOCR IS HEADED. WHILE EMPHASIZING LIMITED OFFICIAL USE

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THAT A DEFINITE CACM POLICY HAS NOT YET BEEN FORMULATED, BERROCAL INDICATED THAT THE FAILURE OF THE HEADS-OF-STATE TO MEET AT JALAPA MAY HAVE BEEN A WATERSHED AND THAT, WHILE COSTA RICA WOULD CONTINUE TO REMAIN COMMITTED TO INTEGRATION, THE STRENGTHENING OF ITS BILATERAL TIES WITH FAVORABLY DISPOSED COUNTRIES -- I.E. PANAMA AND NICARAGUA -- WOULD PROBABLY TAKE PRECEDENCE OVER CACM-WIDE

INTEGRATION EFFORTS. FORMIN FACIO ALSO SOUNDED THE NOTE  
IN A RECENT CONVERSATION WITH CHARGE. (SAN JOSE 2036).

5. ANOTHER ELEMENT ENTERING INTO THE EQUATION IS  
THE FACT THAT SOLANO IS NOT REALLY AN "ODUBER MAN."  
IN FACT HE HAS NEVER REALLY ADMIRER ODUBER. THIS DOES NOT  
MEAN THAT SOLANO WILL NOT STAY WITH THE ODUBER  
ADMINISTRATION. ACCORDING TO BERROCAL HE WILL BE NAMED  
TO AN AS YET UNSPECIFIED IMPORTANT POST WITHIN THE GOVERNMENT.  
HE HAS ALSO BEEN NAMED TO THE GOVERNING BOARD OF THE NACIONAL  
PRODUCTION COUNCIL. AS FOR BERROCAL, IT LOOKS AS IF HE WILL  
STAY ON AT THE CAN, AT LEAST FOR THE PRESENT.  
LANE

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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